

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

P

W-02146A
Peoples Valley Water Company
15811 North 9th Avenue
Phoenix AZ 85023

ANNUAL REPORT

ARIZONA CORPORATION
COMMISSION

RECEIVED
APR 25 2003

Director of Utilities

FOR YEAR ENDING

12	31	2002
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FOR COMMISSION USE

ANN 04	02
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*Entered
4/30/03
Cym.*

OK

COMPANY INFORMATION

Company Name (Business Name) <u>Peeples Valley Water Company</u>		
Mailing Address <u>3550 N. Central Ave., Suite 1500</u>		
(Street)		
<u>Phoenix, Az 85012</u>		
(City)	(State)	(Zip)
<u>602-264-7101</u>	<u>602-234-0419</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address _____		
Local Office Mailing Address <u>3550 N. Central Ave., Suite 1500</u>		
(Street)		
<u>Phoenix, Az 85012</u>		
(City)	(State)	(Zip)
<u>602-264-7101</u>	<u>602-234-0419</u>	
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address _____		

MANAGEMENT INFORMATION

Management Contact: <u>Richard Darnall</u>			<u>Executive Consultant</u>	
(Name)			(Title)	
<u>15811 N. 9th Ave.</u>			<u>Phoenix, Az 85023</u>	
(Street)	(City)	(State)	(Zip)	
<u>602-866-8115</u>	<u>602-866-0313</u>	<u>602-432-2516</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)		
Email Address <u>URSAZ@aol.com</u>				
On Site Manager: <u>William Block</u>				
(Name)				
<u>P. O. Box 494 Yarnell, Az 85362</u>				
(Street)	(City)	(State)	(Zip)	
<u>928-427-9446</u>	<u>928-427-9446</u>	<u>602-820-4466</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)		
Email Address _____				

Statutory Agent: _____

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: Ted Warner Warner, Angle, Roper & Hallam

(Name)

3550 N. Central Ave., Suite 1500

Phoenix, Az 85012

(Street)

(City)

(State)

(Zip)

602-264-7101

602-234-0419

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☒ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☒ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME

Peeples Valley Water Company

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	4,071	1,987	2,084
307	Wells and Springs	101,563	70,204	31,359
311	Pumping Equipment	27,506	21,975	5,531
320	Water Treatment Equipment	541	216	325
330	Distribution Reservoirs and Standpipes	104,553	69,742	34,811
331	Transmission and Distribution Mains	147,739	99,104	48,635
333	Services	25,465	14,653	10,812
334	Meters and Meter Installations	17,457	9,407	8,050
335	Hydrants	5,089	260	4,829
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	1,183	1,183	0
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	435,167	288,731	146,436

This amount goes on the Balance Sheet Acct. No. 108



CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	4,071	3.3%	136
307	Wells and Springs	101,563	3.3%	3,382
311	Pumping Equipment	27,506	12.5%	3,438
320	Water Treatment Equipment	541	20.0%	108
330	Distribution Reservoirs and Standpipes	104,553	2.2%	2,557
331	Transmission and Distribution Mains	147,739	2.0%	2,955
333	Services	25,465	3.3%	847
334	Meters and Meter Installations	17,457	8.3%	1,430
335	Hydrants	5,089	2.0%	71
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	1,183	20.0%	0
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	435,167	3.4%	14,924

This amount goes on Comparative Statement of Income and Expense _____
Acct. No. 403.

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 2,616	\$ 9,822
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	9,248	13,970
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	1,365	2,236
162	Prepayments	1,838	1,914
174	Miscellaneous Current and Accrued Assets	2,926	6,473
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 17,993	\$ 34,415
	FIXED ASSETS		
101	Utility Plant in Service	\$ 430,089	\$ 435,167
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	273,807	288,731
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 156,281	\$ 146,436
	TOTAL ASSETS	\$ 174,274	\$ 180,851

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 8,786	\$ 8,690
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	15,104	0
	TOTAL CURRENT LIABILITIES	\$ 23,890	\$ 8,690
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 59,823	\$ 50,267
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	12,519	12,515
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	118,614	121,722
272	Less: Amortization of Contributions	(69,257)	(75,187)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 61,876	\$ 59,050
	TOTAL LIABILITIES	\$	\$
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value	161,661	161,661
215	Retained Earnings	(132,976)	(98,817)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 28,685	\$ 62,844
	TOTAL LIABILITIES AND CAPITAL	\$ 174,274	\$ 180,851

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 80,556	\$ 100,129
460	Unmetered Water Revenue		
474	Other Water Revenues	690	984
	TOTAL REVENUES	\$ 81,246	\$ 101,113
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	5,841	6,114
618	Chemicals	548	470
620	Repairs and Maintenance	7,644	(8,281)
621	Office Supplies and Expense	271	52
630	Outside Services	35,400	35,400
635	Water Testing	1,741	3,519
641	Rents	0	7,360
650	Transportation Expenses		
657	Insurance – General Liability	2,080	2,102
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case	1,061	2,926
675	Miscellaneous Expense	548	558
403	Depreciation Expense	9,288	8,993
408	Taxes Other Than Income		
408.11	Property Taxes	3,537	3,653
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 67,959	\$ 62,866
	OPERATING INCOME/(LOSS)	\$ 13,287	\$ 38,247
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 724	\$ 0
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	6,423	4,088
	TOTAL OTHER INCOME/(EXPENSE)	\$ 5,699	\$ 4,088
	NET INCOME/(LOSS)	\$ 7,588	\$ 34,159

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	12/10/97			
Source of Loan	Valley Bank of Arizona			
ACC Decision No.	60342			
Reason for Loan	Plant Additions			
Dollar Amount Issued	\$ 94,680	\$	\$	\$
Amount Outstanding	\$ 50,220	\$	\$	\$
Date of Maturity	12/10/07			
Interest Rate	Prime +1.5%			
Current Year Interest	\$ 4,088	\$	\$	\$
Current Year Principle	\$ 9,556	\$	\$	\$

Meter Deposit Balance at Test Year End	\$	12,514
Meter Deposits Refunded During the Test Year	\$	2,479

WATER COMPANY PLANT DESCRIPTION**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
544681	10	100	225	8	2	1970
563104	10	100	235	8	2	1998

- Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
5	2	2	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
160,000	2	5,000	1

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	3,800
5		
6	PVC	39,000
8	PVC	500
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	176
3/4	4
1	14
1 1/2	5
2	1
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

Chlorine injector

STRUCTURES:

Fences around both wells and storage tanks - about 500 ft.

OTHER:

COMPANY NAME: Peeples Valley Water Company

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	197	982,800	1,101
FEBRUARY	199	788,300	992
MARCH	196	1,244,700	1,518
APRIL	197	1,499,700	1,768
MAY	200	2,088,600	2,280
JUNE	199	2,340,000	2,662
JULY	202	1,800,300	2,120
AUGUST	202	2,210,300	2,680
SEPTEMBER	203	1,154,900	1,059
OCTOBER	199	1,039,100	1,262
NOVEMBER	199	628,300	709
DECEMBER	199	737,800	785
TOTAL		N/A	18,944

16,514,200

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes (x) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (x) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. > .01 mg/l

(If more than one well, please list each separately)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Peeples Valley Water Company YEAR ENDING 12/31/2002

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2002 was: \$ 3,595

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

COMPANY NAME Peeples Valley Water Company

YEAR ENDING 12/31/2002

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported N/A
Estimated or Actual Federal Tax Liability _____

State Taxable Income Reported _____
Estimated or Actual State Tax Liability _____

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

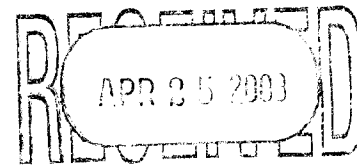
SIGNATURE

DATE

PRINTED NAME

TITLE

VERIFICATION AND SWORN STATEMENT Intrastate Revenues Only



Director of Finance

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Maricopa
NAME (OWNER OR OFFICIAL) TITLE James R. Gough, President
COMPANY NAME Peoples Valley Water Company

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 101,113

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ -0-

IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SIGNATURE OF OWNER OR OFFICIAL

602-264-7101

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

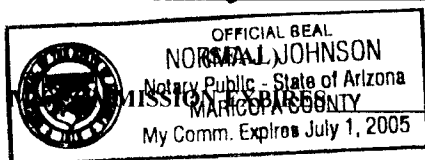
THIS

23rd

DAY OF

COUNTY NAME Maricopa
MONTH April
YEAR 2003

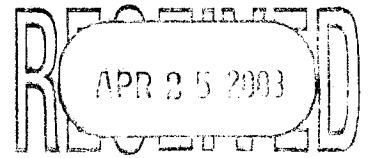
SIGNATURE OF NOTARY PUBLIC



7/1/05

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

ARIZONA CORPORATION
COMMISSION



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) Maricopa	
NAME (OWNER OR OFFICIAL) James R. Gough	TITLE President
COMPANY NAME Peoples Valley Water Company	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
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HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ **100,129**

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ **-0-**
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

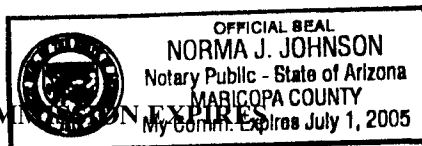
23rd

DAY OF

NOTARY PUBLIC NAME Norma J. Johnson	
COUNTY NAME Maricopa	
MONTH April	YEAR 2003

(SEAL)

MY COM



X

SIGNATURE OF NOTARY PUBLIC

7/1/05

PEEPLS VALLEY WATER CO.

P. O. BOX 88006 866-2329
PHOENIX, AZ 85080

1753

91-245
1221

DATE 10-31-02

PAY TO THE ORDER OF Ross D. Jacobs Yavapai County Treasurer \$ 1,826²¹/₁₀₀
Eighteen Hundred Twenty Six & ²¹/₁₀₀ DOLLARS

BANK ONE.

Bank One, NA
Phoenix, Arizona 85073
www.bankone.com

FOR _____

Richard Darnale MP

⑈001753⑈ ⑆122100024⑆

07276747⑈

⑈0000182621⑈

2001
2nd half
PEEPLS VALLEY WATER CO.
P. O. BOX 88006 866-2329
PHOENIX, AZ 85080

1682

91-245
1221

DATE 3/28/2002

PAY TO THE ORDER OF Ross Jacobs County Treasurer \$ 1768⁶³/₁₀₀
Seventeen Hundred Sixty Eight & ⁶³/₁₀₀ DOLLARS

BANK ONE.

Bank One, NA
Phoenix, Arizona 85073
www.bankone.com

FOR _____

Richard Darnale MP

⑈001682⑈ ⑆122100024⑆

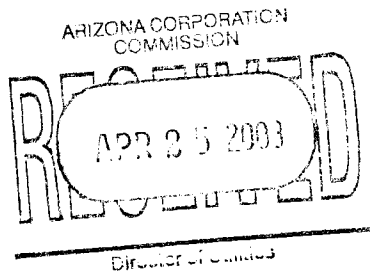
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WARNER ANGLE HALLAM JACKSON & FORMANEK PLC

ATTORNEYS AT LAW

3550 N. CENTRAL AVENUE, SUITE 1500
PHOENIX, ARIZONA 85012
(602) 264-7101
(602) 234-0419 FAX
www.warnerangle.com



JERRY L. ANGLE
TED F. WARNER
CHARLES R. HALLAM
ROGER K. GILBERT
STEPHEN E. JACKSON
LARRY C. SCHAFER
DEAN J. FORMANEK
JEROME K. ELWELL
JOHN A. BURIC
JACK D. KLAUSNER
CHRIS R. BANISZEWSKI

J. BRENT WELKER
JAMES VALLETTA
ARIEL I. WORTH
ANN BRUZZESE
TRACEY VAN WICKLER
ERIC PETERSON
KENNETH J. WILLMOTT

OF COUNSEL
PETER D. AMBELANG
CATHERINE CONNER

File No. 2973.0000

April 24, 2003

Via First Class Mail

Compliance Section
Utilities Division
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ

RE: Peeples Valley Water Company 2002 Annual Report Filing

Dear Sir or Madam,

Enclosed is an executed original of the above mentioned annual report.

If you have any questions regarding this matter, please call me.

Sincerely,



Jim Gough, Paralegal to Ted Warner
For the Firm

TFW:JRG:slg
Enclosures

cc: Richard L. Darnall (w/copy enclosed)
URS, Inc.
15811 N. 9th Ave
Phoenix, AZ 85023